

Amendments to the Specification:

Please replace the two paragraphs beginning on page 9, line 9, with the following:

Control circuit 98 may also include a low power sleep mode that can be used to conserve battery power. Control circuit 98 will normally be in a deep sleep mode to conserve the energy available from battery 90. Periodically, control circuit 98 will wake up from the sleep mode to verify if a dispensing request has been received from a sensor behind indicator arrow 82. In the present embodiment, control circuit may wake up 7 times a second to check for a signal to dispense a towel. Other periodic intervals and durations of sleep mode may be used within the scope of the present invention.

The diagram of FIGS. 10 and 11 shows the logical flow process performed by control circuit 98 according to the present invention. As described in the earlier patents incorporated by reference, the process of dispensing a towel begins with the sensing of movement of by the sensor behind indicator arrow 82. When the sensor behind indicator arrow 82 senses a triggering event, a signal is sent to control circuit 98 to initiate the process beginning in FIG. 10. Control circuit 98 determines if dispenser 10 is prepared to dispense when the signal is received. If dispenser 10 is ready to dispense, control circuit 98 checks the run time memory to see if three prior run times are stored. If three run times are stored, control circuit 98 computes an average of the three stored run times and this average time is used as an estimated run time. If no run times are stored in the run time memory, then control circuit 98 defaults to the pre-set stored value. If one or two values are stored, the most recent run time in the run time memory is used two or one additional times, respectively, to allow computation of an average of three run times to set the estimated run time.

Please replace the two paragraphs beginning on page 13, line 18, with the following:

Once the required number of iterations is seen to signal that a towel should be dispensed, an inactivity count is checked to determine if the current signal to dispense should be processed. For example, a requirement may be that at least 3 consecutive IR detection iterations must result in a no-detect between each valid dispensing signal. This prevents an object that is placed in front of transmitter 100 and receiver 102 from causing dispenser 10 to continually dispense towels while the object is stationary. The object that caused the previous towel dispense action must be clear from IR receiver 102's detection range for at least 3 sampling

periods before a valid dispense signal will again be processed. The inactivity count may begin at a count of 3. Each iteration that results in a no-detect will cause the iteration count is decremented by one until the count reached zero. If a detect is encountered prior to the inactivity count reaching zero, the count is incremented by one until the count reached a maximum value of 5. In this way, signals received from the sensor behind indicator arrow 82 may be verified and qualified before control circuit 98 initiates the dispensing of a towel.